

Decision maker:	Assistant director environment and place
Decision date:	
Title of report:	Ultra-low emission pool cars
Report by:	Principal Energy & Active Travel Officer

Classification

Open

Decision type

Non-key

Wards affected

All

Purpose and summary

To invest in cost saving, environmental friendly, new and efficient pool cars to reduce staff mileage costs, improve local air quality, lower pollution and reduce harmful greenhouse gas emissions.

The proposal is to purchase ten new pool cars and install two new electric vehicle charge points at Elgar House and Blueschool House.

This proposal will help to reduce costs, improving air quality through implementation of more sustainable travel methods, contribute towards achieving the council's carbon footprint target.

Recommendation(s)

That:

- (a) the procurement and use of up to 10 new pool cars at a cost of not more than £130k be approved; and**
- (b) the purchase and installation of a new charge point at both Elgar House and Blueschool House sites at a cost of not more than £13k be approved.**

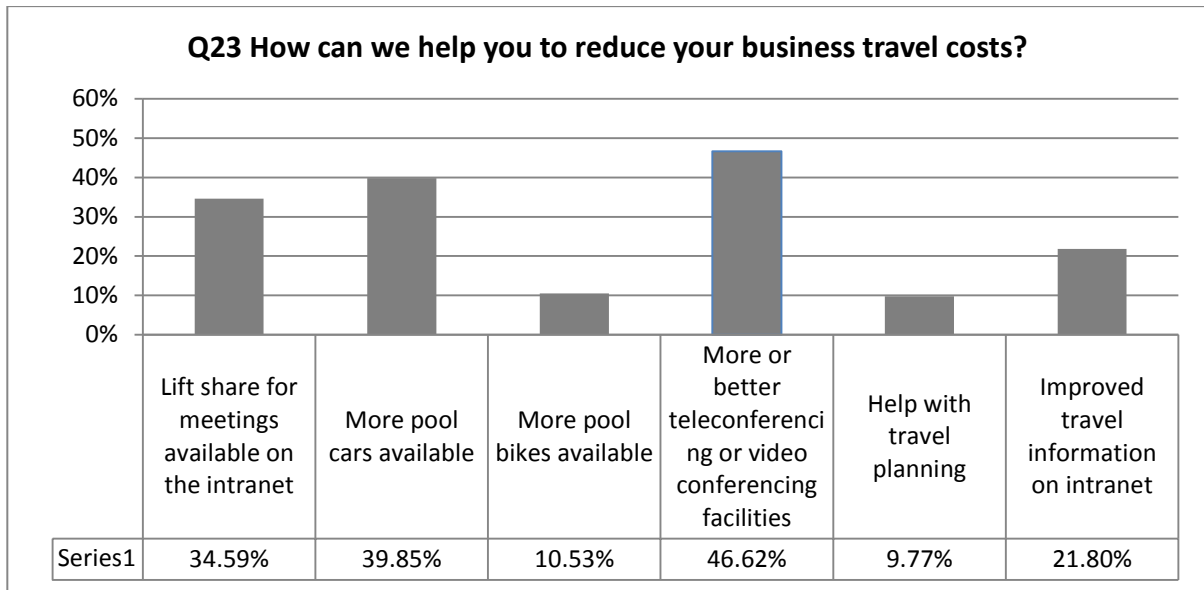
Alternative options

Do nothing:

1. This would mean the council would continue to spend approximately £530,000 per annum, potentially with an increase of 8.5% year-on-year (based on the change from 15/16 to 16/17).
2. Currently, there is no evidence to suggest that this spend would reduce going forward. It is very likely that there would be no changes in how staff makes decisions around travel.

Key considerations

3. The council's carbon management plan sets a target of a 40% reduction in CO2 emissions (based on 2008/09 levels). This project will not only reduce CO2 emissions for the council but also reduce levels Nitrous Oxide (NOx) which will contribute to improved local air quality.
4. Currently staff undertake over 1.2 million miles per year in their own vehicles in order to deliver services across the county.
5. The council currently operates: four pool cars which are aged between 8 and 12 years which average 10,000 miles per year each. Whilst these operate effectively and in total, generate financial savings in excess £8,000 pa, this provision is not sufficient and the aging nature of the vehicles makes them less likely to be used as an alternative to staff using their own vehicle.
6. In 2015 a trial was undertaken using two electric vehicles as pool cars at Plough Lane and Blueschool House. The vehicles were well used and received positively by staff. There were however concerns that not all trips could be undertaken by an electric vehicle due to the limited range of ~100miles and requests that future pool fleets comprise a mix of electric and traditional fuelled vehicles.
7. In July 2016 a staff travel survey was undertaken in order to assess staff travel behaviours. Over 200 staff responded to the survey. Nearly 40% of staff stated that the availability of more pool cars would help them reduce their business mileage.



Business case for Pool Cars

8. The first recommendation is to purchase ten pool cars on an invest-to-save basis. The following tables show the costs and estimated savings for this investment.
9. The table below compares the total cost per mile comparison of staff traveling in either their own vehicles claiming mileage costs against the costs of operating pool cars.

Car type	Cost per mile		
	10,000 miles	12,000 miles	15,000 miles
Electric Car	0.24	0.22	0.19
Hybrid Car	0.19	0.17	0.14
Diesel Car	0.27	0.24	0.22
Petrol Car	0.29	0.27	0.24
Staff mileage	0.45	0.45*	0.45*

Costs include depreciation over 10yrs, maintenance, tax and fuel

* These remain at 45p/mile due to the fact that a single person is unlikely to be driving over 10,000 miles in one pool car.

10. The below table illustrates the annual savings for different fuel type pool cars against an equivalent level of mileage claims. All four fuel types offer annual savings with hybrid cars offering the highest savings, followed by electric.

Car type	Annual Savings vs Staff Mileage		
	10000 miles	12000 miles	15000 miles
Electric Car	£2,100	£2,760	£3,900
Hybrid Car	£2,600	£3,360	£4,650
Diesel Car	£1,800	£2,520	£3,450
Petrol Car	£1,600	£2,160	£3,150

Costs include depreciation over 10yrs, maintenance, tax and fuel

11. As such it is proposed that the council invests in ten new pool cars comprising five electric and five hybrid vehicles which reflects the lessons learnt in the 2015 trial.

Vehicles	Cost (purchase)	10,000 miles		12,000 miles		15,000 miles	
		Annual saving	ROI (yrs)	Annual saving	ROI (yrs)	Annual saving	ROI (yrs)
Electric cars x 5	£66,165	£10,500	6.30	£13,800	4.79	£19,500	3.39
Hybrid cars x 5	£45,785	£13,000	3.52	£16,800	2.73	£23,250	1.97
Total	£111,950	£23,500	4.76	£30,600	3.66	£42,750	2.62

Breakeven analysis

12. The estimated annual fixed costs each car is £1,500 which includes maintenance costs and straight line depreciation over 10 years. This will result in the following annual breakeven points (in miles) below:

Car type	Breakeven point in miles
Electric Car	4,167
Hybrid Car	3,659

13. The proposed sites for the 10 pool cars are shown below:

Building	Approx. number staff	Current number of pool cars	Proposed number of pool cars
Plough Lane	700	2	4 (+2 current)
Elgar House	200	1	2
Town Hall/ Shire Hall	150	1	2
Blueschool House	200	0	2

Some teams have more need for pool cars than others, so the number of cars is not necessarily in proportion to the number of staff. The allocation will be reviewed regularly.

Community impact

14. This will contribute to our corporate plan priority to 'Secure better services quality of life and value for money' by contributing to improvements in air quality and generating financial savings which can enable resources to be focussed towards priority service delivery. In addition, working to reduce staff mileage spend will contribute towards good practice and help to ease revenue pressures across services.
15. It will also support the delivery of the council's Destination Hereford project to encourage and support residents and employers to walk and cycle.
16. Encouraging businesses through Work Place Travel Plans to limit 'grey fleet' business mileage and purchase and use more efficient fuel efficient vehicles as a pool fleet (*Source: Herefordshire Council, LTP 2016-2031, Policy Document, 2016*).
17. The typical profile seen in all organisations is for the grey fleet to have older and more fuel inefficient cars than those cars provided by the organisation. For the council, the average grey fleet car is aged 9.7 years old, with published emissions of 133g/km. Newer vehicles will not only minimise the highest emitting, most inefficient vehicles, but also reduce the risk of the vehicles not meeting satisfactory safety standards.

Equality duty

18. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to -

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

19. This is an operational (back-office) decision and we do not believe that it will have any impact on our equality duty.

20. The changes will result in a reduction of CO2e emissions (and other local air pollutants) which also contributes to the national (and global) action to limit damaging climate changes.

Resource implications

21. The costs and savings are shown in the table below but summarised as follows:

Vehicles	Cost (purchase)	10,000 miles		12,000 miles		15,000 miles	
		Annual saving	ROI (yrs)	Annual saving	ROI (yrs)	Annual saving	ROI (yrs)
Electric cars x 5	£66,165	£10,500	6.30	£13,800	4.79	£19,500	3.39
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* Indicative budget and subject to the outcome of the AQMA

22. It is conservatively estimated that each vehicle will undertake 10,000 miles per annum although if any vehicles are under-utilised then the locations will be reviewed in order to maximise usage.

23. It is proposed that the new pool cars and electric charging points are funded through the following existing budgets:

Cost Code	Budget	Allocated budget £000
N/A	Pool car reserve (incl 2017/18 income)	40
CM7074	Active travel capital	50
C06337	2018/19 Forecast revenue savings from pool cars (as set in paragraph 19 above)	24
CM7240	Energy efficiency capital	20
C07021	Energy & active travel	9
	Total	£143,000

24. The procurement of the vehicles will be undertaken in accordance with the council's contract procedures rules.

Legal implications

25. The acquisition of new pool cars will require a procurement process compliant with relevant procurement rules.

26. The council will owe a duty of care to any users of the cars and the charging points that they are safe and fit for purpose and consequently the council will need to make arrangements for regular use and servicing. The council's insurers should be advised of the acquisition and use of these new assets.

Risk management

27. This project will support implementation of the Better Ways of Working programme which aims to provide flexibility for the workforce, facilitating change and options for where, how and when people work. The ultimate aim is to create a climate and conditions that enhances the outcomes for the benefit of customers, the workforce, the organisation and the environment.

28. Pool car management will be under-taken by facilities as is currently the case.

29. Not proceeding will continue to put pressure on annual revenue budgets.

30. Behaviours which reduce efficiencies in travel and increase costs that are not addressed

Risk / opportunity	Mitigation
New pool cars seen as an unnecessary luxury for the council.	Clear communication online about pool cars and the expected ROI as well as the additional benefits such as a robust process for decisions concerning staff travel. Noting the estimated annual savings from this project.

Consultees

31. None

Appendices

- None

Background papers

- None